

**CITY OF SAN DIEGO
M E M O R A N D U M**

DATE: May 29, 2003

TO: Affordable Housing Task Force

FROM: Mike Turk, Chairperson
Development, Regulations and Incentives Subcommittee

SUBJECT: Development, Regulations and Incentives Subcommittee report to the
Affordable Housing Task Force

On behalf of the Development, Regulations and Incentives Subcommittee, the final report of the subcommittee to the Affordable Housing Task Force is attached.

AFFORDABLE HOUSING TASK FORCE

REPORT OF SUBCOMMITTEE 2

“DEVELOPMENT, REGULATIONS, AND INCENTIVES”

(May 16, 2003)

INTRODUCTION:

The Affordable Housing Task Force was formed in order to address local affordable housing needs for the City of San Diego. The purpose of the Task Force is to identify areas of change that will result in an increase in the City’s affordable housing stock. Subcommittee 2, the “Development, Regulations, and Incentives Subcommittee”, is responsible for identifying planning and project management improvements and suggesting incentives.

The following report includes recommendations from the Subcommittee, organized by issue, topic, and/or subject:

I. INCENTIVES FOR BUILDERS OF AFFORDABLE HOUSING:

PROCESS:

1. Adopt amendments to Council Policy 600-27, the Affordable/In-Fill Housing Expedite Program, as recommended by the City Manager. This new program will reduce the permit review process by about 50 percent.

Subcommittee 2 recommends that this Council Policy be revised as follows:

- A. Affordable “Senior Housing” should be specifically listed as a project eligible for expedited permit processing.
 - B. Affordable “Adaptable Housing” should be specifically listed as a project eligible for expedited permit processing, and listed as a #10 priority. For this policy, adaptable housing is defined as housing of three units or less and/or townhomes that provide the following: 1) housing with one zero-step entrance on an accessible path of travel; 2) doorways that are 32 inches clear throughout the floor plan; 3) basic access to at least a half bath on the main floor; 4) light switches, electrical outlets, thermostats and other controls in accessible locations; 5) reinforced walls for grab bars; 6) usable kitchens and bathrooms.
2. Adopt an amendment to the Municipal Code to provide City staff with the authority to expire discretionary permit applications after 90 days of inactivity, as recommended by the City Manager.

3. Adopt an amendment to the Municipal Code to allow affordable/in-fill housing projects to deviate from development regulations as recommended by the City Manager. This will provide a significant incentive for builders of affordable housing, and will encourage well-designed multi-unit projects within urban in-fill areas.
4. Adopt an amendment to the Municipal Code to allow applications for Tentative Parcel Maps (subdivisions of 4 lots or less) to be acted upon in accordance with Process 1 (ministerial approval). This would only apply to projects exempt from CEQA.
5. Adopt an amendment to the Municipal Code to allow affordable housing projects to be acted upon in accordance with Process 2. The decision shall be made no less than 11 business days after the date on which the Notice of Future Decision is mailed to allow for sufficient time for public comment. This 11 business days minimum time frame for a staff decision will be extended by a period not to exceed an additional 20 business days to allow time for a recommendation by a recognized community planning group, if requested by the group's chair or the chair's designee.
6. Adopt an amendment to the Municipal Code to allow reductions in parking requirements, when warranted, for certain categories of housing including affordable and in-fill housing projects.
7. As recommended in the Development Services Department's Fee Proposal, fully fund and staff the City's Land Development Code Update Team to implement necessary Code changes to add incentives and provide expedited review and processing for affordable/in-fill housing projects.
8. Adopt and/or maintain a self-certification process for the following:
 - A. Continue to allow Registered Civil Engineers to self-certify minor engineering approvals such as grading permits and public improvements such as curb cuts, sidewalk repair, alley replacements, etc.;
 - B. Allow licensed landscape architects to self-certify for landscape plan checks;
 - C. Continue to allow City staff to contract with outside companies to provide inspection services;
 - D. Continue to allow City staff to contract with outside companies to provide plan check for structural, electrical, and mechanical reviews when it takes longer than 30 days to check plans.

9. Provide “next day inspection services” to affordable/in-fill housing projects, and prioritize projects requesting “next day inspection services” based on the Carrying Capacity section of Council Policy 600-27.

FEES:

1. Approve the fees required for the Affordable/In-Fill Housing Expedite Program, but base the fees on square-footage instead of per unit (currently \$500 per unit).
2. Reduce impact fees by 10% for all affordable housing projects affordable to households earning no more than 80 percent of average median income (AMI).
3. Direct staff to reevaluate development impact fees for multi-family residential development in order to charge more for larger and less for smaller multi-family units. Staff should report back on providing an alternative basis for applying fees, including utilizing the number of bedrooms or total square-footage of a dwelling unit. Fees to be reevaluated include Development Impact Fees (DIF), Facilities Benefit Assessments (FBA), Water and Sewer Fees, and any other capacity-based fees.

II. REGULATIONS - NEW CODES OR CODE AMENDMENTS:

1. The City should support State legislation for adoption of the International Residential Code. Improved building codes can reduce building costs 7-14%. The International Residential Code is widely used throughout the country and it uses more modern technology than current California codes.
2. Encourage construction of a percentage of houses with certain universal access features for disabled persons by providing expedited review as described above in recommendation I.1B. Direct staff to track residential development utilizing universal access features.

III. ENVIRONMENTAL/CEQA:

1. Direct City staff to implement procedures expediting affordable/in-fill housing projects, including utilizing the latitude provided within California Public Resources Code Section 21080.14, which exempts affordable housing projects of 100 units or less from CEQA, provided the project meets certain qualifications.

IV. SUSTAINABLE BUILDINGS:

1. Encourage green power housing that meets energy star ratings and generates a percentage of projected electrical needs thus providing continuing low utility costs

to enhance the affordability of the housing. City of San Diego needs to explore energy efficiency incentives that can help the developer to build a more efficient project. City of San Diego permit desk should distribute info to builders about these programs when they are submitting their project. Need to develop a handout for developers/builders.

V. INCLUSIONARY HOUSING ORDINANCE:

1. The Inclusionary Housing Ordinance should exempt projects of 4 units or less (current draft Ordinance applies to all residential projects of 2 units or more).

VI. INFRASTRUCTURE:

1. Provide infrastructure enhancement priorities to communities that accept affordable housing projects. Because older neighborhoods are concerned about community infrastructure issues, there needs to be assurance that the City will work with the developer and the community to address the deficient infrastructure issues before the project is built.
2. Create an “Infrastructure Bank” where builders may opt to leave existing alleys which are paved with asphalt and pave an unpaved alley with either concrete or asphalt in the same community. This would also apply to existing curbs and sidewalks where a different type is the requirement, but the condition of the existing is good. THIS WILL BRING INFRASTRUCTURE TO COMMUNITY WITHOUT ADDITIONAL COSTS TO THE CITY OR BUILDERS. The city would develop a map showing where alley, curbs, and sidewalks could be replaced in the various communities. Community planning groups can develop list and priorities.

VII. COMMUNITY PLANNING GROUPS:

1. Direct each Community Planning Group within the City of San Diego to propose the location of where a total of 2,500 multi-family units can be located within their community plan boundary.

Location of first 500 units no later than 11/1/03
Location of second 500 units no later than 5/1/04
Location of third 500 units no later than 11/1/04
Location of fourth 500 units no later than 5/1/05
Location of fifth 500 units no later than 11/1/05
2. Direct each planning group to identify in order of priority the specific infrastructure needs they will require to accept the foregoing density. The required public improvement must bear a reasonable economic relationship to the

size of the residential project being proposed. As defined herein reasonable shall not exceed \$10,000 per dwelling unit.

3. Identified infrastructure land or improvements shall be acquired or installed and paid for by the City of San Diego (or designee) simultaneous with the construction of the specific multi-family units.
4. If for any reason a particular planning group is unable to complete this task within the timeframe set forth herein, the city planner assigned to that planning group will work closely with the planning group to complete the designation of appropriate locations.
5. The City should work with community planning groups City-wide to develop Master Plans and/or create and apply an “Affordable Housing Overlay Zone” targeting and prioritizing areas where affordable housing should be encouraged. Master Environmental Impact Reports for these targeted areas could be utilized to significantly simplify and expedite the environmental review process for all subsequent affordable/in-fill housing projects.

VIII. CITY STAFF AND DEVELOPMENT SERVICES DEPARTMENT CHANGES:

1. Create a position in the City Manager’s Office to focus on affordable housing to ensure the Affordable Housing Task Force’s recommendations which the City Council adopts are implemented. This position will coordinate all housing issues for the City, with a focus on affordable housing.
2. Development Services should be completely over hauled from top to bottom within 3 years to make the above measures the norm for all projects. This recommendation can be implemented by monitoring the success of the Affordable/In-Fill Housing Program, which includes a specialized team of staff members whose primary goal is to process projects in half the time, and implementing this process for all projects City-wide.

IX. ACCESSIBLE HOUSING TECHNICAL ADVISORY COMMITTEE:

Expand the Technical Advisory Committee’s (TAC) responsibilities to devise and effectively increase accessibility and adaptability in townhomes and residential developments of three units or less, through a variety of methods including but not limited to the provision of incentives. This Accessible Housing Technical Advisory Committee will report back to the City Council with recommendations within 6 months of issuance of the Affordable Housing Task Force report.

X. AFFORDABLE HOUSING DENSITY BONUS:

Adopt the City Manager's recommendation to revise the Density Bonus regulations to offer up to a 50 percent density bonus for suitable projects (Suitability based on variety of factors such as location of transit, proximity to retail, medical services, schools, parks etc.).